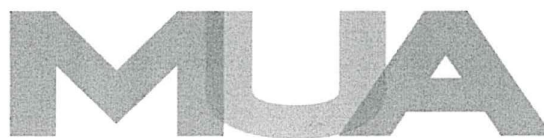


MUA/ KASA/ EXAM/ QP/ 2014

The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

BMT 201: ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT

DATE: 15TH, AUGUST 2014

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

QUESTION ONE

Read the Case Study below carefully and, answer the questions that follow:

An entrepreneur recognizes opportunity where other people see only problems .Many famous businesses have been started because an entrepreneur turned a problem into a successful business. The entrepreneur recognized that the problem was actually an opportunity .Where there are dissatisfied customers, there are definitely opportunities for entrepreneur. Most entrepreneurs start off as dissatisfied customers. In basic terms, entrepreneurial opportunity is a situation in which a person can exploit (develop) a new business idea that has the potential to generate a profit. The opportunities themselves often emerge from changes in economic, technological, governmental and social factors. When entrepreneurs notice links or connections between these changes, ideas for new ventures quickly follow. For instant, Bill Gate was a problem solver before he cofounded Microsoft, most software was complicated and confusing to the average person .Gates decided to use his programming aptitude to create software that would be user friendly, fun and easy for the average person to use.

Required:

- a) Discuss stages of the business start-up process. (6marks)
- b) Describe five basic ways that entrepreneurs find opportunities to create new businesses. (10marks)
- c) Discuss reasons why small businesses fail. (5 marks)
- d) List down four advantages of a partnership form of business ownership. (4marks)

QUESTION 2

- a) Explain the importance of cash management to a small business's success.
(7 marks)
- b) Explain in details what an income statement is.
(8 marks)

QUESTION 3

Write short explanatory notes on the following terms:

- a) Business Ethics (4 marks)
- b) Social responsibility (4 marks)
- c) Business (3marks)
- d) Small business (4marks)

QUESTION 4

Define the concept of franchising and describe three different types of franchising.
(15marks)

QUESTION 5

Define the word Negotiation, and discuss four factors that affect negotiation.
(15marks)

QUESTION 6

- a) Discuss the importance of networking to an entrepreneur.
(10 marks)
- b) List down five importance of communication to an entrepreneur. (5 marks)